



Introduction to Investing Note Taking Guide

	Total Points Earned
	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

WHAT IS INVESTING?

What is investing?

Characteristics
of investing:

Example of long-term goals
accomplished by investing:

RATE OF RETURN

Rate of Return:



$$\bigcirc \div \bigcirc = \bigcirc$$

What is Mandy's rate of return? _____

What is Derek's rate of return? _____

$$\bigcirc \div \bigcirc = \bigcirc$$

$$\bigcirc \div \bigcirc = \bigcirc$$

INVESTMENT RISK

A rise in _____
results in
increased _____.

Risk:

Investment Risk:

INFLATION

Inflation:	Inflation Risk:	When should inflation risk be a concern?
------------	-----------------	--

TYPES OF INVESTMENT TOOLS

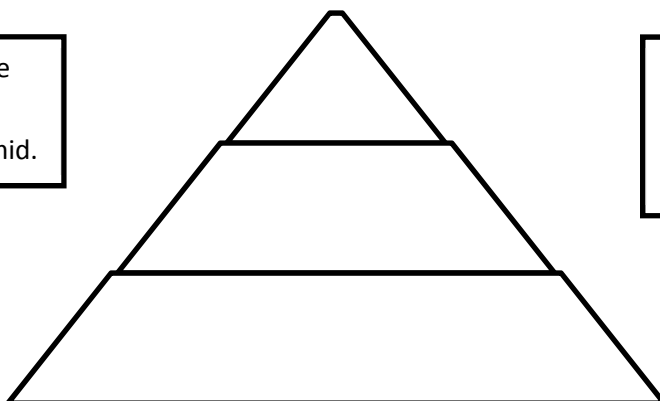
Record the definition and one characteristic of each investment tool below.

Stocks:	Bonds:	Mutual Funds:
Index Funds:	Real Estate:	Speculative Investments:

FINANCIAL RISK PYRAMID

What is one type of saving or investing tool that may be located on each level of the pyramid?

Draw an arrow in the
direction that risk
increases on the pyramid.



Draw an arrow in the
direction that potential
return increases on the
pyramid.

INVESTMENT PHILOSOPHY

Each individual has a
tolerance for the amount of

Investment Philosophy:

Generally divided into
three categories:



PORTFOLIO DIVERSIFICATION

Portfolio Diversification:

What is the purpose of
portfolio diversification?

Referred to as:



BUYING AND SELLING INVESTMENTS

What is a brokerage firm?



What is the difference between a full service
brokerage firm and a discount broker?



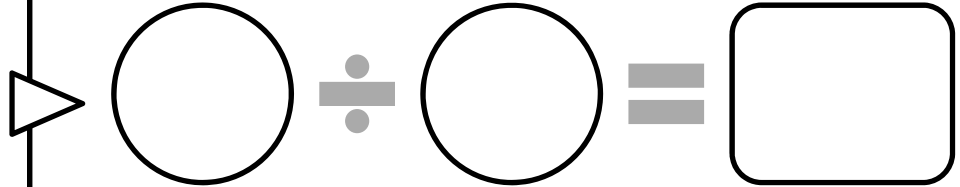
TAXATION

What is a tax-sheltered investment?

What is an employer-sponsored investment account?

RULE OF 72

Rule of 72:



What can the "Rule of 72" determine?

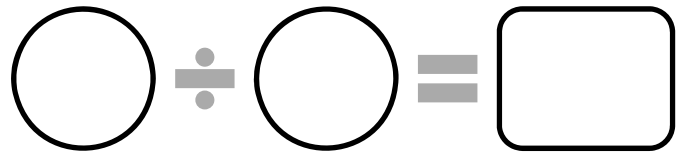
1.

2.

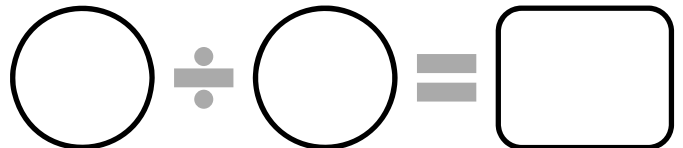
3.

4.

How long will it take Doug's investment to double? ____



How long will it take for Jessica's balance to double? ____



Rule of 72 FYI:

What interest rate is required for Jacob to double his investment? ____

